

AL-**INVEST****AL-**INVEST** IV
INFORMA**

Support to the SMEs' internationalization in Latin America

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After more than 18 years striving to develop exportation, the Association of Producers and Exporters of Nicaragua (APEN by its Spanish acronym) is regarded as a legitimate non-for-profit private organization. It aims at transforming Nicaragua into an exports nation, being international trade a means for developing countries to achieve social cohesion and thrive.

APEN has 280 company members from different industries and sizes. It is the perfect space to create business partnerships and useful networks among different players. It strengthens value chains and partnership. Big, medium and small companies, including cooperatives of 3,000 producers share this space.

Because of the extensive representation, the Association must operate through Sector Committees.

These committees discuss issues, challenges, opportunities and needs to take to governmental offices. APEN doubles as key project executor to promote and support companies' exports before Cooperation or Development Bodies.

APEN has become a key to the success of exports, especially for SMEs. With views to successfully entering international markets, SMEs are provided services in the fields of marketing and promotion, becoming market-savvy, bureaucracy and logistics, first contact with the markets and participation in international fairs. APEN also provides physical and virtual facilities in the Business and Training Center for SMEs.

The Steering Committee, Management and Technical Team of APEN are committed to responsibility and social inclusion, gender equality, transparency, anti-corruption and operating efficiency. Through an ongoing improvement plan, APEN has obtained the SGS Certification from the Société Générale de Surveillance of Switzerland. It endorses APEN as the first Nicaraguan NGO complying with international best practices standards.

In partnership with the Consortium of Central America, Mexico and Cuba (CAMC by its Spanish acronym) of the AL-**INVEST** IV Program of the European Commission, APEN has broaden its scope of action to over 200 businesses, supporting job creation and the increase of market businesses between this region and the European Union.

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The European Union is composed of 27 Member States that have decided to share their knowledge, resources and destiny. Together, during an enlargement period of 50 years, they have built a zone of stability, democracy and sustainable development maintaining, at the same time, the cultural diversity, the tolerance and individual liberties.

**El AL-**INVEST** IV Programme is funded by the EU**

Editorial...



Being part of an integrating, challenging Program like AL-INVEST IV has brought a different approach to international trade to our Association, which contributes to the enhancement of social cohesion in the region.

To date, we have carried out over 20 projects designed based on the critical factors companies face to improve their competitiveness or launch the internationalization of their products in Europe. We have obtained satisfactory results, bearing in mind that 3 SMEs in the furniture sub-sector have been certified, 37 have improved their business management through internal control systems in the financial and production departments, 20 are creating business exports plans and 15 are using market research tools. In addition, 6 Nicaraguan SMEs in the organic farming sector, along with 17 businesses from Central America and Mexico have participated in fairs like BIOFACH under the umbrella of APEN. They have closed deals worth €750,000 approximately, among other achievements we may mention to date.

The AL-INVEST IV Program in

Nicaragua received financing worth €1.5m out of which APEN has successfully invested €350,000—roughly 23% of the total budget—with multiplying effects on the project’s sustainability, since the tools and methods have been institutionalized to be replicated.

The Inter American Institute of Agriculture Cooperation (IICA by its Spanish acronym), the Cleaner Production Center (CPML by its Spanish acronym), the Investment and Exports Center (CEI by its Spanish acronym), ECO-MERCADOS and the universities, among other bodies, have been our collaborators. We have enjoyed their advisory capacity and technical assistance to ensure the quality, efficiency and results of projects financed by AL-INVEST IV.

During the second half of 2010, APEN will continue to carry out activities, mainly in the field of internationalization, to promote empowerment and technical assistance and advise SMEs on technical requirements to comply with best practices in agriculture and manufacturing, participate in fairs and business meetings and calculate exports pricing. In addition, there

will be an intense agenda of commercial missions such as the participation in EXPOAPEN 2010 and SIAL 2010, targeted to the agro food sector, in CRAFT 2010 and HABITAT 2010 (craftwork, decoration and gifts), in CATM 2010 and WTM 2010 (tourism) and SIMO 2010 (Information and Communication Technologies).

2010 has been a challenge for APEN, since we have implemented a series of actions with a comprehensive focus. We are striving towards real change in the competitiveness and internationalization of Nicaraguan companies, ultimately seeking to reduce poverty and increase social cohesion.



Azucena Castillo
Gerente General APEN

Activities...

Professional Aid in Catastrophes

The Euro-Chile Business Foundation has sent a team of professionals to the communities of the Maule region (Chile) to support micro businesses that suffered infrastructure and equipment damages following the earthquake that devastated part of the country last February.

From June 4 to 10, 12 experts have traveled to the remotest areas in the region to help businesspeople apply for state aid

through the Investment Support Program for Productive Infrastructure. Aid is channeled through the Technical Cooperation Service (Sercotec by its Spanish acronym).

Almost 200 businesspeople benefited from this professional aid within the framework of the SME Reactivation Plan that EuroChile is putting together with the support of the AL-INVEST IV Program in the O’Higgings and El Maule regions, deeply affected by the earthquake.



Photo: MCV Consortium

FITEX 2010 Brings Networking to Bolivian SMEs

The second edition of the International Textile Fair, Fitex 2010, brought together 40 businesswomen of the National Chamber of Commerce of Bolivia from June 8 to 11 in La Paz, Bolivia.

Significant Bolivian companies were present. Contacts made by the SMEs in the textile industry generated future sales worth €366,000 during the event.

Buyers are interested in importing Bolivian garments to Peru, Argentina, Switzerland, Canada, the Netherlands and Colombia.

The participating companies presented a range of garments ma-



Photo: RA Consortium

de of camelids wool. The fair, organized under the umbrella of the AL-INVEST IV Program, took place in the Germania Hall of the Europa Hotel in La Paz.

Hundreds of people attended the event by the Bolivian Textile Association (COTEXBO by its Spanish acronym). The event was topped with a first level fashion show.

Structure and Operation Changes in the CAMC and New Partner



Photo: CAMC Consortium

The representatives of the AL-INVEST IV Program in the European Commission met last May with the Consortium of Central America, Mexico and Cuba (CAMC by its Spanish acronym) to discuss progress and landmarks attained to date with the AL-INVEST IV Program.

The creation of a new financial structure for partners from Honduras, Panama and Costa Rica was agreed during the meeting.

In addition, requests by some partners were listened regarding the inclusion of medical tourism companies, and a new operation system was established through a yearly plan.

On June 21 and 22 the 4th CAMC Coordination Session to follow up on the meeting took place in Mexico. The goal was to plan activities and operations of the AL-INVEST IV Program through the second half of 2010.

Partners from Costa Rica, Guatemala, Honduras, El Salvador, Nicaragua, Mexico and Panama attended the event. A new Mexican member was introduced to the group: The Technology Institute of Higher Education of Monterrey (ITESM by its Spanish acronym). The new operations structure of Nacional Financiera (NAFIN), CAMC's leader, was presented during the event as well.

Training in Jewelry and Furniture

Twenty companies of the Chamber of Commerce of Lima (Peru) have received technical training from the Confederation of European Associations of Senior Experts (CESES by its Spanish acronym) through the AL-INVEST IV Program.

The International Seminar of Jewelry Design and Workshop is targeted to SMEs from two different business sectors: Jewelry and wooden furniture.

It took place in June. It aims at strengthening participating companies and increasing their com-

petitiveness in foreign markets, namely the European markets.

Attendance was divided into two parts: A program on jewelry design, taught by the consulting firm Marieke Beker from the Netherlands, and a program on wooden furniture production processes, taught by the Italian Graziano Andretta.

Participants expressed their satisfaction with the programs. They have enabled them to identify strengths and weaknesses and prioritize activities in both business areas.

Activities...

Surveillance and Intelligence to Be More Competitive



Photo: MCV consortium

The Argentinean Industrial Union (UIA by its Spanish acronym) and the Ministry of Science, Technology and Productive Innovation of the Argentine (MINCyT by its Spanish acronym) organized the first National Workshop on Technology Surveillance and Competitive Intelligence. The event took place in the headquarters of UIA, in Buenos Aires, on May 19 and 20.

The meeting, under the umbrella of the AL-INVEST IV Program, brought together civil servants, delegates from national bodies (National Institute of Industrial Technology, National Institute of Agriculture Technology, and the National Institute of Industrial Property) and universities (Catholic University of Cordoba, Universidad Autonoma of Entre Rios, etc), foundations and businesses from around the country.

In addition, representatives of the Industrial Chambers of Uruguay, a partner of UIA in the MCV Consortium of the AL-INVEST IV Program and a professional from the Ministry of Industry, Energy and Mining of Uruguay participated in the workshop.

The workshop imparted basic knowledge on technology surveillance and competitive intelligence, among others. Surveillance per se makes reference to finding information that may shed light on competitive decision making on threats and opportunities. Technology surveillance focuses on science and technology information and on weak signals regarding potentially useful breakthroughs for companies. It could lead to better competitiveness in today's markets.

Besides, competitive intelligence focuses on analyzing and processing information, assessment and strategic decision within companies and institutions. It integrates technologic surveillance, commercial surveillance, surveillance of competitors and environments, among others.

Cluster Advisors Meeting

The Andean Region Consortium (RA by its Spanish acronym) held the first International Meeting of Business Cluster Advisors for Bolivia, Colombia, Ecuador and Peru last June 16 to 18 in Bogota, Colombia.

The event, under the umbrella of the AL-INVEST IV Program, was organized by SEQUA (a German partner of the RA Consortium) and CAINCO. In addition, the National Association of Foreign Trade (ANALDEX by its Spanish acronym) of Colombia and the Chamber of Commerce of Bogota participated.

Experiences were shared and work methods favoring SMEs were consolidated. Afterwards, the advisors to the clusters identified the areas where institutions partnering with the AL-INVEST IV Program may participate. They also highlighted how to develop national and international action plans to support the internationalization of Andean SMEs.

Nicaraguan Crafts Modernized

The crafts, decoration and gifts industries of Nicaragua have been given training and technical assistance on new trends in Wood and Paper Decoration Items.

Incorporating new technology and communication technologies to the business or social responsibility are some of the factors highlighted during the sessions.

The training took place in Managua from June 21 to 25 and in Niquinohomo. The Association of Producers and Exporters of Nicaragua (APEN) imparted the knowledge, supported by the AL-INVEST IV Program. This event is part of two other training sessions. Altogether they aim at empowering SMEs and teaching them basic knowledge and design trends and improving their business management through methods that identify new market trends. This work will bring us to the next internationalization action, the participation in the fair NEW WORLD CRAFT 2010, where the new wood and paper items will be validated.



Photo: CAMC Consortium

Developing Exports in Costa Rica



Photo: CAMC Consortium

With views to promoting exports in SMEs from Costa Rica and taking advantage of new opportunities offered by the Association Agreement signed between Central Ame-

rica and the EU, the first edition of EuroDecaex has taken place in Costa Rica.

The event took place from June 1 to 3 in San Jose de Costa Rica. It is targeted at agro food businesses. National and international experts impart practical knowledge, meaning that theoretical knowledge is coupled with practical training.

Fruitful Results

The participation in the Food Fair of Barcelona (Spain) last March is starting to yield its fruits.

The first report on the results of the visit, organized by the Association

of the Chamber of Exporters of Costa Rica (CADEXCO), is proof of good forecasts: One of the participating companies has sent quotes of its products to four clients contacted at the fair.

Another organization sent samples to a buyer in Madrid (Spain), while a third is negotiating future collaborations as we speak.



Chile and the Balearic Islands: United

A delegation of European tourism businesspeople traveled through seven Chilean cities, Santiago among others, from May 10 to 20. The goal was to forge alliances with Chilean and Balearic companies in the field of Information and Communication Technologies applied to tourism.

The trip was organized by the EuroChile Foundation and the Chamber of Commerce of Majorca,

in the Balearic Islands, in the framework of the AL-INVEST IV Program.



Photo: MCV Consortium

An information workshop and business meetings took place during the trip.

At the end of the trip, Jose Luis Roses, vice-president of the Chamber of Commerce of Majorca, and Jose Aravena, executive director of the EuroChile Business Foundation, signed a collaboration agreement to develop a strategic alliance for the cooperation between both partners.

Preparing for Guatemala 2010

A meeting of the leaders of the three Latin American consortia (NAFIN, CAINCO and CNI) and the Service Consortium took place in Brussels (Belgium) on July 5 and 6. The main goal of the meeting was to prepare the Annual Meeting of the AL-INVEST IV Program. The two working sessions were dedicated to preparing Guatemala 2010 and approaching future activities to be undertaken by the Program.

The following conclusions may be highlighted from the meeting: Participating in five well-known European fairs in 2011, performing a sector analysis for footwear and textile, jewelry and beads and farming and setting out guidelines on "how can we export to Europe".

Besides, the possibility of sending missions of European businesspeople to Latin America was explored. An Editorial Board will be created to coordinate the contents of the AL-INVEST IV INFORMA bulletin.

Annual AL-INVEST IV Meeting

The city of Antigua Guatemala was the setting chosen to hold the meeting from July 19 to 21. It was the meeting point to analyze, exchange and plan Program actions. The main objectives of the meeting were to further research on available information on micro, small and medium companies, learning about the execution of different Program activities in each Consortium and identifying best practices.

Interview... Study Visit and Summer School



Photo: EUROCHAMBRES Consortium

The Association of European Chambers of Commerce and Industry (EUROCHAMBRES) organized a training seminar from June 28 to July 2 for managers under the umbrella of the AL-INVEST IV Program.

The training was titled "Study Visit and Summer School". It consisted of 13 hours of intensive courses for 11 attendants from the Chamber of Commerce and Services of Cochabamba (Bolivia), the Chamber of Commerce of Cartagena (Colombia), the National Chamber of Commerce and Services of Uruguay, the National Chamber of Industries (Bolivia), the International Colombia Corporation, the Chamber of Commerce of

Bucaramanga (Colombia), the Chamber of Exporters of Costa Rica (CADEXCO by its Spanish acronym), the Ecuadorian Federation of Exporters (FEDEXPOR by its Spanish acronym), the Chamber of Commerce of Lima (Peru), Nacional Financiera (NAFIN by its Spanish acronym) of Mexico and the Corporation of Exporters of El Salvador (COEXPORT by its Spanish acronym).

The training was provided by experts such as Peter Byrne, president of the South Dublin Chamber, or Jesús Albizu, manager of the consulting firm AVU S.L., with quite a remarkable presentation. In addition, the Chambers of Commerce of Paris and Antwerp were visited, providing the opportunity to see firsthand the daily work in these institutions on the other side of the Atlantic Ocean. The training aimed at reinforcing organization skills and institutional relations.

All participants highlighted it was a great opportunity to exchange experiences and information. As **Yesid Rafael of the Cochabamba Chamber** puts it, this initiative "has enabled us to see how work is done in Europe and the three Latin American consortia. Our goal is to build and consolidate a network of contacts and we are achieving so".

Luz Amparo Herrera from the International Colombia Corporation considers it is necessary to create "an area where we can say who we are and exchange our ideas".

Strengths and Weaknesses

The very rich Latin American continent creates a business world where each country is different from the other. However, the lack of resources and information are common shortages in many cases. According to **Anabella Cosentino, of the Chamber of Commerce of Uruguay**, "the great weakness resides in information and its management.

Institutions fulfill a very important role to bring the supply and the demand closer". Her colleague **Milene Arciniegas of the Chamber of Commerce of Bucaramanga** adds "some SMEs only trade with neighboring countries; very few of them use English as their working language".

Nevertheless, she reckons there are "very flexible companies with very good products are interested in tapping into international markets".



Photo: EUROCHAMBRES Consortium

Exporting to Europe

When exporting, neighboring countries and North America continue to be the main players, although the relevance of Europe is growing. Regarding the situation of Costa Rica, where pineapple is an essential product, **Andres Alfaro from CADEXCO** confirms that "the majority of our pineapple production is exported to Europe and the USA to a lesser extent", however, Europe "is still an unknown market to other sectors". **Felipe Ribadeneira of FEDEXPOR** declares that the AL-INVEST IV Program is enabling change: "we have some 580 SMEs in training to tap into European markets. In some cases, we have

already received results".

The intention of the Free Trade Agreements between the EU and Mexico and Chile, as well as the new agreements signed with Peru, Colombia and Central America is to ease this exchange. **José Rosas Bernedo from the Chamber of Commerce of Lima** insists that "the economic situation now is more stable for investments.

Besides, economic cooperation will improve the competitiveness of companies and the country". However, **Victor Manuel from NAFIN** believes that "the agreement is a good start, but exports from Mexico to Europe are minimal compared to exports towards the USA. **Karla Klaus from COEXPORT** believes that "the fact that a free market exists is not the solution but the tool that will help improve our access to Europe".

AL-INVEST Program

When valuing the AL-INVEST IV Program, everybody highlighted the opportunities provided by this initiative from the European Commission. **José Pedro Urena from the National Chamber of Industries** has said it is "extremely positive" and that "more information to the partners" would be welcome. **Ileana Stevenson from the Chamber of Commerce of Cartagena** is thankful to the Program. She said: "the fourth phase is excellent for our Chamber, it helps us promote what we must do by law: develop cooperation between companies".

In Brussels they talk about...

After the Spanish Presidency...

A New Scenario is Outlined for Europe and Latin America

The Spanish Presidency of the European Union is over. It is time to take stock of the developments and barriers that the Spanish semester has pointed out. A main goal was to promote relations between the EU and Latin America. After these six months, the question of whether future leaders will take over the task with the same strength Spain did is unanswered.

Seeking to analyze the scenario and approach a future with more connections to Latin America, the conference "After the Spanish Presidency: Towards a New Partnership between EU and Latin America" took place in Brussels.

This high-level event took place in June 29. It was organized by the European Think Tank *Friends of Europe*, in collaboration with the Spanish telecom company Telefonica, the private Spanish foundation of international and strategic studies Real Instituto Elcano and the energy companies Enel and Endesa.

Renown leaders and delegates from different European, Latin American and international institutions attended the event. Questions such as the role undertaken by Spain during these six months, the boost to market relations with Latin America or the renewed negotiations with Mercosur were discussed.

Juan Pablo de Laiglesia, the Spanish Secretary of State for Latin America stated that results obtained are consequent with "intense political analysis of the current situation in both sides".

The Latin American market has been many a time forgotten by Europe. Nevertheless, it has over-



Photo: Friends of Europe

come the crisis fairly well, the impact of which was not widely felt. Carlos López Blanco, director of Telefonica's International Office and Secretary of State for Telecommunications and the Information Society mentioned in his speech that "the region has emerged from the financial crisis faster and stronger than advanced countries. It is becoming very attractive for investors. Innovation is playing a more important role".

Henrique de Campos Meirelles, governor of the Central Bank of Brazil, added that the reason why Latin America is very well positioned to face the crisis is that it has learnt from mistakes in past recessions.

Two Future Decisions

The Summit between the EU and Latin America and the Caribbean brought about the approval of a Foundation to promote bi-regional exchange between partners and an Investment System for Latin America (MIAL by its Spanish acronym).

The UE-ALC Foundation strives towards reinforcing the partnership between both partners, including civil society and other social players to inspire more knowledge and visibility in both regions.

With this goal, the institution will

promote common activities and strategies to support relations and will focus on priorities established in the Summits. De Laiglesia considers this foundation is "the tool we were missing in the architecture between the EU and Latin America and the Caribbean".

MIAL will finance investment projects through the European Commission grants and other institutions that support development. The European Commission has already granted €125m until 2013.

De Laiglesia believes "the European money allocated is not the most important part", but the system as a channel to "bring third party financing" to the region, that is, from EU governments and private companies.



Juan Pablo de Laiglesia
Photo: Ministerio de Exteriores